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Timing of the approval of the UNICEF biennial support budget

Summary

The present report was prepared in response to Executive Board decision 2003/17, in which the Board requested the Executive Director to explore options for the timing of the approval of the biennial support budget in the context of one of the existing regular Board sessions and to report to the Board on this issue during the annual session of 2004. The Executive Director *recommends* that the Executive Board adopt the decision contained in paragraph 11.

* E/ICEF/2004/8.

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Introduction

1. The present report was prepared in response to Executive Board decision 2003/17 (E/ICEF/2003/9/Rev.1), in which the Board requested the Executive Director to explore options for the timing of the approval of the biennial support budget in the context of one of the existing regular Board sessions and to report to the Board on this issue during the annual session of 2004.

Background

2. At its first regular session of 2000, the Executive Board approved the UNICEF multi-year funding framework, and at the same time requested the Executive Director to submit proposed modifications to the budget process to the Board at the annual session of 2000, through the Advisory Committee on Administrative and Budgetary Questions (decision 2000/3, E/ICEF/2000/8/Rev.1).

3. The Executive Director's subsequent proposal (E/ICEF/2000/AB/L.3) took into account reforms made to the UNICEF budget, including:

(a) The initiation of integrated budgeting based on the principle that programme plans drive the budget. Whenever new country programme plans are proposed, or existing programme plans are adjusted in the course of a mid-term review, a country programme management plan must be formulated to ensure that the management structure supports the country programme;

(b) At headquarters locations, office management plans are prepared biennially together with budget proposals, within the framework of the medium-term strategic plan (MTSP);

(c) The budget review process has been decentralized, with regional offices responsible for reviewing the budget proposals of country offices, and headquarters responsible for reviews of regional and headquarters office budgets. These participatory reviews are made through technical review teams and Programme and Budget Review committees, to improve transparency and organization-wide collaboration;

(d) The final biennial budget proposal to the Executive Board uses the common format agreed upon as part of the harmonization of the budget presentations of the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA) and UNICEF.

4. The Executive Director's proposal, made in the context of those reforms, was to submit the biennial budget to the Executive Board at the first regular session in January of the first year of the biennium. While the Advisory Committee made no objection to the timing recommended for the submission of the budget to the Executive Board in January 2002, in the opinion of the Committee, the most appropriate time to discuss the budget would be before the financial period started, not in January, when the period had already begun. The Committee understood that, owing to constraints on conference servicing on the part of the United Nations, it was not possible at present for the Executive Board to meet from October to December while the General Assembly was in session. A long-term solution to this problem should be sought. The Committee recommended further consultations on the issue with the Committee on Conferences (E/ICEF/2000/AB/L.4, para. 6).

5. In its decision 2000/7, taken at the annual session of 2000, the Executive Board reiterated the principle that the plan drives the budget and requested UNICEF to conduct consultations with Board members and with the Committee on Conferences with a view to enabling the Board to approve future biennial support budgets before the end of the preceding biennium. Based on this decision and on subsequent consultations, the secretariat scheduled extraordinary sessions for December 2001[1] and December 2003 to approve the support budgets for the 2002-2003 and 2004-2005 biennia, respectively. However, at the December 2003 session, a number of delegations noted the difficulties caused by having parallel meetings of the UNICEF Executive Board and the Main Committees of the General Assembly. As a result, in decision 2003/17, the Board requested the secretariat to explore options for approval of the biennial support budget in the context of one of the existing sessions.

6. Another factor has emerged that affects the timing of the presentation of the biennial support budget. In line with a decision taken by the UNDP/UNFPA Executive Board, the UNICEF Executive Board, in decision 2002/4 (E/ICEF/2002/8/Rev.1) decided that draft country programme documents (CPDs) would be presented to the Executive Board for discussion and comment at the annual session of the year before the commencement of the new programme cycle. At the same time, the Board approves the aggregate totals of estimated regular resources and other resources in the programme budget. Because the secretariat wants to benefit from the comments by Board members made at the annual session, there is not sufficient time to review the management plan and biennial budget for submission to the second regular session in September. The current timetable of the integrated programme and budget planning and approval process is provided in the annex.

Review of possible timelines

Submission to the second regular session of the Executive Board in September

7. Prior to 2000, when the Executive Board modified the budget approval process, the biennial support budget was submitted to the Board at the second regular session in September of every other year. Given the subsequent changes in the budget process and the approval of CPDs, this timeline could only be met by completing the budget and submitting it to the Advisory Committee no later than early June. This would eliminate any opportunity to align support budget resources with approved programmes and to continue having decentralized reviews of the country budgets by regional offices and the global review of regional and headquarters offices' budget proposals.

[1] At the annual session in 2001, the Board decided to merge the second regular and extraordinary budget sessions to be able to take advantage of the conclusions of the General Assembly Special Session on Children, then scheduled for 19-21 September 2001.

Submission to the first regular session of the Executive Board in January of the first year of the biennium

8. This option would allow sufficient development and articulation of the MTSP and the approval of the draft country programme by the Executive Board at the annual session before the management plan and the biennial budget were finalized. It would also allow sufficient time for informal consultations with Board members. In order to implement this option, a one-month appropriation for January would have to be approved by the Executive Board at the second regular session of the preceding year to allow operations to go forward pending approval of the support budget. This was done for January 1998 on an exceptional basis for the biennium 1998-1999 (decision 1997/25, E/ICEF/1997/12/Rev.1). This timing would eliminate the need for an extraordinary session in December. The Advisory Committee, however, in its report on integrated budgeting in UNICEF (E/ICEF/1997/AB/L.7), suggested that the most appropriate time to discuss the budget would be before the financial period starts, not in January, when the period had already begun.

Submission to the extraordinary budget session of the Executive Board in December

9. This option, like the one above, also meets the requirement of having the "plan drive the budget" and allows sufficient time for articulation of the MTSP, preparation of budgets, approval of draft CPDs and review of budget proposals. In addition, the support budget would be approved before the start of the biennium. This timing, however, coincides with the General Assembly and reduces the time available for informal consultations.

Conclusion

10. The Executive Board's review and approval of the support budget should take account of the established timing of the results-based management and integrated budget processes of UNICEF as well as the harmonization of the country programme processes of UNDP, UNFPA and UNICEF. Therefore, review of the support budget could take place either in December in the year preceding the biennium or in January, the first month of the biennium.

Recommendation

11. The Executive Director *recommends* that the Executive Board adopt the following draft decision:

The Executive Board,

Affirming the principle that "the plan drives the budget",

Agreeing that the biennial support budget should be formulated after the programme has been sufficiently articulated through the development of the draft country programme document for country offices, and the office management plans for headquarters and regional offices,

Decides that:

1. The biennial support budget will be reviewed at the first regular session, in January of the first year of the new biennium;

2. At the second regular session preceding the new biennium, an advance allocation will be approved for spending for the month of January, based upon the previous year's expenditures for January.

Annex I

Timeline of integrated programme and budget planning and approval process

Steps	Activity	January	February	March	April	May	June	July	August	September	October	November	December	January
A	Following the Common Country Assessment (CCA) and United Nations Development Assistance Framework (UNDAF), a country programme strategy paper (or first draft of CPD) is developed and reviewed as part of a joint strategy meeting at the country level.													
B	Preparation and regional review of draft CPDs.													
C	Country offices complete country programme management programmes and submit to the regional office.													
D	Regional technical review team (TRT) and programme and budget review (PBR) committees review the country submissions, taking into consideration the final draft of the medium-term strategic plan and draft country programme recommendations.													
E	Annual session of the Executive Board reviews draft CPD and approves aggregate regular resource and other resource amounts.													
F	Regional and headquarters offices submit office management plans and budgets, global TRT and PBR reviews, and Executive Director's approval.													
G	Preparation of biennial support budget document, submission to ACABQ and final editing for translation and reproduction.													
H	ACABQ reviews budget document and provides report for final editing, translation, reproduction and distribution to Executive Board members.													
I	Informal briefing with Executive Board members on budget proposal.													
J	First regular session of the Executive Board - support budget reviewed for approval.													